GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:3383
ANSWERED ON:11.12.2000
INCREASE CAPACITY IN KAYAMKULAM THERMAL POWER PLANT
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Will the Minister of POWER be pleased to state:

(a) whether the Kerala has requested to enhance the capacity of the Kayamkulam Thermal Power Project;

(b) if so, the details thereof and the action taken in this matter;

(c) whether due to the sharp increase in the price of Naphtha the cost of power generated at Kayamkulam combined cycle power plant has gone up; and

(d) if so, the steps taken by the Government to waive the excise and customs duties on Naphtha?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) & (b): The Government of Kerala have requested the Ministry ofPower/National Thermal Power Corporation (NTPC) to take up the expansion of Kayamkulam Combined Cycle Power Project (CCPP).

NTPC is pursuing Kayamkulam expansion project of 1950MW (tentative) capacity as a regional station, and have taken a number of steps towards this end. The implementation of the project, as a regional station, would however be contingent on a number of factors including the availability of LNG in an appropriate time frame, its price and terms and signing of PowerPurchase Agreements with the State Electricity Boards or this successororganization of the Southern States (for utilizing its full capacity) with sufficientpayment safeguards etc.

(c) & (d): The variable component of the cost of power generated varies with the cost of fuel. Therefore, the increase in the price of naphtha has resulted in increase in the cost of power generated at naphtha based Kayamkulam CCPP.

Naphtha is a decontrolled product with effect from 1.4.1998 and oil companies fix the prices of naphtha on commercial consideration based on the principle of import party. The prices are fixed by the oil companies individually.